

**REMARKS*****Summary of Remarks***

The continued rejection of Claims 1-6 and 8-12 under 35 U.S.C. §103(a) remains improper for failure to state a *prima facie* case of obviousness for at least the following reasons (each of which is sufficient alone to show that a *prima facie* case of obviousness was not established):

- the OAs do not properly characterize the reference;
- the explicitly-proposed modification to the reference is counter to the definition of “*supplier*” found in the application;
- the explicitly proposed modification renders the reference unsatisfactory for its intended purpose;
- the proposed modifications fail to account for all elements of each claim; and
- the OAs fail to provide legitimate motivation for making the proposed modifications to the reference.

The undersigned respectfully requests that:

- each rejection that relies on an improper characterization of the reference be withdrawn; or specific portions of the reference, teaching the asserted elements, be identified.
- either the rejection of Claims 1-6 and 8-12 under 35 USC §103 be withdrawn, or all modifications to Andersen that are necessary to render the claimed invention obvious in light of Andersen be made explicit;
- each rejection where not all elements of the claim were considered be withdrawn and each claim of the application be examined considering all elements of each claim, or

the Examiner indicate where each element of each claim was considered and indicate the portions of the reference relied on to account for each element; and

- each rejection that relies on the stated motivation to combine Andersen with an unsupported assertion of skill in the art be withdrawn, or a reference be produced that teaches, suggests, or provides motivation for determining risk in part through the use of an evaluation of the borrower by an OEM or manufacturer.

The claims have been renumbered to comply with 37 C.F.R. 1.126 as requested.

The OA fails to establish a *prima facie* case of rejection under 35 U.S.C. § 101 because when determining whether an invention is within the technological arts, the Office Action:

- fails to consider the entire disclosure,
- in the alternative, assuming that only the claims (and not the entire disclosure) should be considered, it fails to consider each claim as a whole.

In addition, new claims 23-40 have been added that explicitly recite limitations restricting them to a practical application in the technological arts.

The Office Action (OA) does not state a *prima facie* case of indefiniteness against Claims 1-6 and 17-22 under 35 U.S.C. §112 since both the plain language of the claims and the supporting written description do not appear to support any other interpretation than that the “*potential borrower*” is a “*supplier*”. The undersigned respectfully requests that this rejection of Claims 1-6 and 17-22 under 35 U.S.C. §112 be withdrawn, or rationale be provided to explain how “*the supplier*” can be anything other than a borrower.

***Regarding Rejections Under 35 U.S.C. §103 (a)***

**The Office Actions Do Not Properly Characterize the Reference.**

The Second OA asserts:

... Andersen also teaches that an evaluation is made by a manufacturing company using CSI to determine how profitable and/or effective a dealership is ...

Andersen cites “customer satisfaction index (CSI)” in only three places, i.e., C02 L23-25

The customer satisfaction index (CSI) would improve since dealer rewrites and unwinds of incorrectly structured deals outside of lenders' guidelines

C07 L44-46:

The F&I manager 106 must ensure the customer 104 is satisfied with all aspects of the sale, so that the dealership retains a 100% CSI (customer satisfaction index).

and C07 L55-57

By meeting these objectives the dealership will achieve its ultimate goals: a) 100% CSI, b) increased profits, and c) increased car sales.

Andersen does not teach an evaluation of a dealership by a manufacturing company using CSI to determine **profitability or effectiveness** of a dealership. On its face, a Customer Satisfaction Index is an evaluation of **customer satisfaction made by customers**, not an evaluation of profitability or effectiveness made by a manufacturer. Limitations introduced by dependent claims reinforce that the claimed evaluation is by another member of the supply chain regarding the functioning of the supply chain. Note that CSI does not address the importance of the dealership in the supply chain (e.g., as required by Claim 2).

The undersigned respectfully requests that the rejections based on this mischaracterization of Andersen be withdrawn.

*The Explicitly-Proposed Modification to Andersen is Counter to the Definition of "Supplier" found in the Application.*

Office personnel are to give claims their broadest reasonable interpretation in **light of the supporting disclosure**. *See e.g.*, In re Morris 127 F.3d 1048, 1054-1055, 44 USPQ2d 1023, 1027-28 (fed. Cir. 1997). Office personnel must rely on the applicant's disclosure to properly determine the **meaning** of terms used in the claims. *See, e.g.*, Markman v. Westview Instruments, 52 F.3d 967, 980, 34 USPQ2d 1321, 1330 (Fed. Cir.) (en banc), cert. granted, 116 S. Ct. 40 (1995). An applicant is entitled to be his or her own lexicographer, and in many instances will provide an explicit definition for certain terms used in the claims. Where an explicit definition is provided by the applicant for a term, that definition will control interpretation of the term as it is used in the claim. *See e.g.*, Examination Guidelines for Computer-Related Inventions.

In rejecting Claims 1-6 and 8-12, the OA admits:

Andersen fails to disclose that the (Andersen's) borrower/customer is a supplier.

The OA then asserts:

... it would have been obvious ... to modify Andersen's system so that the customer borrower would include suppliers ...

The proposed modification is counter to the explicit definition of "supplier" found in the written description. The patent application states at P11 L11-17:

*Suppliers are those companies or individuals who produce a good or service which is used by or incorporated into another product or service provided or made by either another supplier or an Original Equipment Manufacturer ("OEM"). A supplier does not provide this good or service to the end consumer of the good or service. Instead, the OEM supplies the goods or service directly to the consumer or indirectly to*

*distributors/retailers which then provide the goods or service to the consumer. Direct suppliers provide their goods and/or services directly to the OEM while indirect suppliers provide goods and/or services directly to other suppliers who in turn supply goods and/or services to other suppliers or the OEM. Participants include everyone in this framework except the consumers."*

*See also Figures 1 & 2 and P1 L12 – P4 L12.*

For the reason that explicitly-proposed modification to Andersen is counter to the definition of "supplier" found in the application, the undersigned respectfully requests that this rejection be withdrawn.

*The Explicitly-Proposed Modification to Andersen Renders Andersen Unsatisfactory for its Intended Purpose.*

In rejecting Claims 1-6 and 8-12, the OA admits:

Andersen fails to disclose that the borrower/customer is a supplier.

The OA then asserts:

... it would have been obvious ... to modify Andersen's system so that the customer borrower would include suppliers ...

Andersen discloses systems and methods to:

Evaluate:

a customer's credit risk (risk to a lender that the customer won't pay),  
budgetary factors (related to the good and the customer – but not including a supplier's evaluation of the importance of the customer in the supplier's chain), and  
profitability (to the dealer) of a sale (of goods from the dealer to the customer) ...

The system enables a dealer to pool front-end (profit from the customer on the sale price) and back-end profit (profit from the customer on things such as financing, insurance, service contracts) items to maximize profits.

This is how Andersen describes his invention in the Abstract, the parentheticals are based on the only embodiments disclosed or suggested in Andersen.

Taking the OA's explicit suggestion to modify Andersen's system so that the customer/borrower would include suppliers (e.g., a dealer), a modified Andersen would disclose:

Evaluate:

a (dealer's) credit risk (risk to a lender that the dealer won't pay),  
budgetary factors (of the goods and the dealer), and  
profitability (to who?) of a sale (a sale of the goods to who?)

The system enables a dealer to pool front-end and back-end profit items to maximize profits.

By taking the OA's suggestion and substituting the dealer for the customer, a missing party is created (the party whose profitability is in question). In the unmodified Andersen, the dealer was evaluating its own profitability when selling goods to a customer. In the modified Andersen, the dealer cannot be evaluating profitability to itself on the sale of goods to itself.

The only explicit modification proposed by the OAs renders Andersen unsatisfactory for any purpose. For at least this reason, the undersigned respectfully requests either rejection of Claims 1-6 and 8-12 under 35 USC §103 be withdrawn, or all modifications to Andersen that are necessary to render the claimed invention obvious in light of Andersen be made explicit.

*The Proposed Modifications to Andersen Fails to Account for All Elements As Claimed.*

To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *See e.g.*, *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974).

While the OAs explicitly propose to substitute a supplier for the customer/borrower in Andersen, the OAs also implicitly propose to substitute the vehicle manufacturer/OEM for the dealer. The OA asserts:

Andersen discloses that ... CSI ... is used by suppliers (in this case, vehicle manufacturers) to evaluate other suppliers (in this case, dealerships ...

Modifying Andersen as implied:

Evaluate:

a (dealer's) credit risk (risk to an un-named lender that the dealer won't pay),

budgetary factors (of the good and the dealer), and

profitability (to the manufacturer) of a sale (of goods from the manufacturer to the dealer).

The system enables a (manufacturer) to pool front-end and back-end profit items to maximize profits.

Claim 1 recites:

*1. A method of determining the risk of default and/or late payment by a potential borrower which is a supplier in a supply chain by:*

*factoring in the supplier's credit score; and*

*factoring in the Original Equipment Manufacturer's evaluation of the supplier.*

Nowhere in Andersen is there a “*Manufacturer's evaluation of the supplier*”; nor is there a manufacturer's evaluation of the borrower. The OAs assert that Customer Satisfaction Index (CSI) disclosed in Andersen is equivalent to the OEM's evaluation of the supplier/borrower. But, on its face, the CSI is an evaluation of the supplier/dealer **by customers, not by manufacturers**. Further, Andersen does not disclose the use of CSI (even if it was an evaluation of the supplier by the manufacturer) in systems or methods of Andersen's invention. An improved CSI is mentioned by Andersen as a likely benefit of his invention, **not as an element of the invention**.

The OAs fail to show that every element of Claim 1 is disclosed in the reference. For the reason that the proposed modifications fail to account for every element of Claim 1 as claimed, the undersigned respectfully requests that the rejection of Claims 1-6 be withdrawn.

The immediately prior remarks focus on the limitations of Claim 1 because the OAs address only the limitations of Claim 1. The OAs failed to address the limitations introduced by dependent claims and other independent claims in the application, e.g, Claims 2-23. The undersigned respectfully requests that each claim of the application be examined.

*The Combined Explicitly-Proposed and Implicitly-Proposed Modifications to Andersen Fails to Account for All Elements As Claimed.*

While the OAs explicitly propose to substitute a supplier for the customer/borrower in Andersen, the OAs also implicitly propose to substitute the vehicle manufacturer/OEM for the dealer. The OA asserts:

Andersen discloses that ... CSI ... is used by suppliers (in this case, vehicle manufacturers) to evaluate other suppliers (in this case, dealerships ...

Modifying Andersen as implied:

Evaluate:

a (dealer's) credit risk (risk to an un-named lender that the dealer won't pay),  
budgetary factors (of the good and the dealer), and  
profitability (to the manufacturer) of a sale (of goods from the manufacturer to the dealer).

The system enables a (manufacturer) to pool front-end and back-end profit items to maximize profits.

Claim 1 recites:

1. *A method of determining the risk of default and/or late payment by a potential borrower which is a supplier in a supply chain by:*  
*factoring in the supplier's credit score; and*  
*factoring in the Original Equipment Manufacturer's evaluation of the supplier.*

Nowhere in Andersen is there a “*Manufacturer's evaluation of the supplier*”; nor is there a manufacturer's evaluation of the borrower. The OAs assert that Customer Satisfaction Index (CSI) disclosed in Andersen is equivalent to the OEM's evaluation of the supplier/borrower. But, on its face, the CSI is an evaluation of the supplier/dealer **by customers, not by manufacturers**. Further, Andersen does not disclose the use of CSI (even if it was an evaluation of the supplier by the manufacturer) in systems or methods of Andersen's invention. An improved CSI is mentioned by Andersen as a likely benefit of his invention, **not as an element of the invention**.

The OAs fail to show that every element of Claim 1 is disclosed in the reference. For at least this reason, the undersigned respectfully requests that the rejection of Claims 1-6 be withdrawn.

The immediately prior remarks focus on the limitations of Claim 1 because the OAs address only the limitations of Claim 1. The OAs failed to address the limitations introduced by dependent claims and other independent claims in the application, e.g., Claims 2-23.

The undersigned respectfully requests that each claim of the application be examined.

*The OAs Fail to Provide Legitimate Motivation for Making Modifications to Andersen.*

The OAs assert:

... it would be obvious ... to modify Andersen's system ... because an artisan would recognize that the purchase of a large quantity of items (vehicles) would greatly increase the amount of sales/profits in a shorter amount of time, and with less paperwork. Thus such a modification would be an obvious expedient well within the ordinary skill in the art.

First, the application does not claim “the purchase of a large quantity of items” in order to “increase the amount of sales/profits in a shorter amount of time, and with less paperwork.” In fact, increased profitability (through lower risk) is a disclosed utility of the claimed invention. It

would seem improper to use an invention's utility against it as reason for rendering it obvious. By this reasoning each patent addressed to a method of doing business would be rendered obvious in light of most any reference in the field because the motivation to increase sales/profit is the very purpose of doing business.

Second, even if Andersen did teach, suggest, or provide motivation **as asserted** (i.e., determining risk in part through the use of an **evaluation** [CSI] of the supplier/potential borrower **by a party** [a consumer – excluded from the definition of “*supplier*” by the application] **that is neither a lender, nor a supplier, nor an OEM**), such teaching, suggestion, or motivation does not lead to what **is claimed** (i.e., determining risk in part through the use of an **evaluation** of the potential supplier/potential borrower **by an OEM** [Claim 1] **or another supplier** [Claim 4]).

The undersigned respectfully requests that each rejection that relies on this improper motivation be withdrawn, or a reference be produced that teaches, suggests, or provides motivation for determining risk in part through the use of an evaluation of the potential supplier/potential borrower by an OEM or another supplier.

***Regarding the Rejections under 35 U.S.C. §101***

The second OA states:

The limitations which reside within the ... claims ... are directed to nothing more than abstract ideas which are equivalent to human making mental computations that are not tied to any technological art and not considered a useful art as contemplated by the United States Constitution. The abstract idea(s) presented in the body of the claim(s) does not become a technological art by merely the recitation in the preamble of “a method of determining risk of default ...” (see *Ex parte Bowman*, 61, USPQ2d 1669 (Bd. Pat. App & Inter. 2001).

The Action fails to establish a *prima facie* case of rejection under 35 U.S.C. § 101 because when determining whether an invention is within the technological arts, the Office Action:

- fails to consider the entire disclosure,
- in the alternative, assuming that only the claims (and not the entire disclosure) should be considered, it fails to consider each claim as a whole;

The entire disclosure, and not merely the claims, is appropriate scope of consideration for whether an invention is within the technological arts. The use of a general purpose computer system, in and of itself, to perform a practical application is sufficient to place an invention within the technological arts. The Office Action fails to consider those portions of the written description that characterize the invention as including a general purpose computer system, e.g., software processes and computer hardware.

The rejection under § 101 amounts to a summary rejection with no indication that the specific limitations of each claim were considered, and no explanation of how each claim fails to meet the requirements of §101. Assuming that only the claims (and not the disclosed invention) should be considered in determining the eligibility of a claimed process for patent protection under 35 U.S.C. § 101, the claims must be considered as a whole.

Further, the present application is distinguishable from Bowman in that in Bowman no form of technology is disclosed or claimed. In the present application, the use of computer technology to implement methods of the invention is repeatedly disclosed.

The undersigned respectfully requests that each claim be separately considered for compliance with 35 U.S.C. §101 in light of the entire disclosure.

***Regarding the Rejections under 35 U.S.C. §112***

The second OA states:

Claims 1-6 and 17-22 are rejected ... as being indefinite for failure to particularly point out and distinctly claim the subject matter of the invention. Re claim 1: the limitation of "potential borrower" is indefinite because it is uncertain whether the supplier is or is not a borrower.

Claim 1 recites:

*1. A method of determining the risk of default and/or late payment by a potential borrower which is a supplier in a supply chain by:*

*factoring in the supplier's credit score; and*

*factoring in the Original Equipment Manufacturer's evaluation of the supplier.*

It is clear that by using the article “*the*” in front of both instances of “*supplier*” in the body of the claim that “*borrower which is a supplier*” serves as antecedent basis for “*the supplier*.*” Notice that the same entity, the *borrower* which is the *supplier*, is the subject of both the credit score and the OEM evaluation.*

Support for “*potential borrower*” may be found in the written description, e.g., at P13 L09-17.

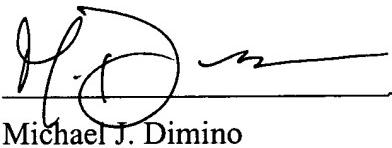
The undersigned respectfully requests that this rejection of Claims 1-6 and 17-22 under 35 U.S.C. §112 be withdrawn, or rationale be provided to explain how “*the supplier*” can be anything other than a borrower.

**CONCLUSION**

With consideration of the above remarks directed to rejections, the undersigned submits that this application is in condition for allowance, and such disposition is earnestly solicited. If the Examiner believes that the prosecution might be advanced by discussing the application with the undersigned, in person or over the telephone, we would welcome the opportunity to do so.

Respectfully submitted,

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